



Iowa Department of Natural Resources
Environmental Services Division
Energy and Waste Management Bureau

For Immediate Release
October 20, 2006 DNR
Contact: Jim Bodensteiner (515) 281-8416
Bill Blum (515) 281-6486

GASOLINE PRICES CONTINUE TO DROP ACROSS IOWA AND THE U.S; WINTER FUEL PRICES PREDICTED TO BE LOWER

DES MOINES – Strong supplies and dropping crude oil prices have combined to bring about further declines in gasoline prices across Iowa. In some areas of the state, unleaded gasoline blended with ethanol was priced at less than \$1.95 per gallon.

On Oct.13, U.S. crude oil supplies totaled 335.6 million barrels, 2.4 percent higher than the previous month and 7.6 percent higher than this time last year. Crude oil prices on Oct. 18 were at \$57.66/barrel, down 4.6 percent from the previous month and 7.6 percent lower than last year at this time.

“Crude oil prices are driven by the global balance between supply and demand,” said Jim Bodensteiner, energy data analyst for the DNR. “Crude oil stocks remain significantly above the top of the five-year inventory range for this time of year.”

U.S. motor gasoline stocks are above the five-year inventory as well. The U.S. average retail price for regular unleaded gasoline fell 25 cents per gallon to \$2.20. A year ago, the average was \$2.69 per gallon.

Further reductions in crude and gasoline prices will likely be stalled by OPEC’s decision Thursday to cut production by 1.2 million barrels a day. “OPEC’s intent is to stabilize the market, meaning further reductions in crude and gasoline prices aren’t likely,” said Bodensteiner.

Winter fuel prices are predicted to be significantly lower than last year. According to the DNR’s Oct.16 fuel price survey, the average retail price of heating oil in Iowa was \$2.20/gallon, \$0.23 lower than last month and 22 percent lower than the price of heating oil at this time last year.

On Oct. 18, 2006, natural gas was trading at \$6.11/MMBtu, \$1.28 higher than a month ago, but 54.8 percent lower than the price of natural gas last year at this time (\$13.52/MMBtu). On Oct. 13, 2006, U.S. natural gas stocks in storage totaled 3,442 Bcf, which is 265 Bcf (8.3 percent) higher than the previous month and 12.8 percent above the five-year average inventory range for this time of year.

The Iowa Department of Natural Resources is holding its 2006 Iowa Winter Fuels Forum in the Auditorium of the Wallace State Office Building, 502 E. 9th Street in Des Moines, from 10:00 a.m. to 12:00 p.m. on Tuesday, Oct. 24, 2006. The Forum will include winter fuel price and supply forecasts from petroleum, natural gas, and propane industry representatives, as well as prospects on the nature and extent of the winter heating season ahead. Information will also be presented on programs that can help increase energy efficiency to cushion the impact of winter fuel costs. For more information, contact Bill Blum at (515) 281-6486 or bill.blum@dnr.state.ia.us.

Motor Fuels Survey State Average Price Per Gallon

Self-Serve	9/15/06	10/12/06	Difference
Regular Unleaded with 10% Ethanol	2.26	2.10	-0.16
Regular Unleaded	2.27	2.08	-0.19
Premium Unleaded	2.38	2.18	-0.20
Diesel	2.78	2.50	-0.28

Source: Oil Price Information Service, www.opisnet.com

10% Ethanol Average Retail Price Per Gallon -- Major Iowa Cities

	9/15/06	10/12/06	Difference
Ames	2.17	2.01	-0.16
Cedar Rapids	2.21	2.01	-0.20
Council Bluffs	2.17	2.00	-0.17
Davenport	2.24	2.09	-0.15
Des Moines	2.09	1.96	-0.13
Dubuque	2.31	2.09	-0.22
Fort Dodge	2.41	2.04	-0.37
Iowa City	2.31	2.14	-0.17
Sioux City	2.28	2.07	-0.21
Waterloo	2.19	2.08	-0.11
Webster City	2.38	2.17	-0.21
Average Metro Price	2.26	2.08	-0.18

Source: Oil Price Information Service, www.opisnet.com

Heating Fuels Survey

	9/18/06	10/16/06	Difference
Natural Gas	4.83 (9/20)	6.11 (10/18)	+1.28
Propane	1.49	1.44	-0.05

#2 Heating Oil	2.43	2.20	-0.23
----------------	------	------	-------

Sources: Wall Street Journal, Iowa Department of Natural Resources